

## CHINA WILL ISSUE DOMESTIC LOAN

### \$60,000,000 to Be Raised Through Home Sources.

PEKING, Sept. 15.—The proposal for the issuance of a domestic loan of \$60,000,000 by the Ministry of Finance has been passed by the Cabinet meeting and Mr. Liang Shih-yi has been appointed principal director of the bureau which will direct the issuance. It is of this loan with the Maritime Customs and the Salt Gabelle surpluses as security.

Another new source from which the Government of Peking can find money is

the introduction of an income tax, and this also has been passed by the Cabinet. It is estimated that \$4,000,000 can be easily secured from this source next year. The Chinese income tax at the commencement will only be introduced into big firms, shipping houses, high government authorities, parliamentarians, big iron and steel factories, silk and tea firms and a few other trades and industries. The Chinese officials say that there would be no depreciation of bank notes in the money markets of Peking and Pootung if the proposed domestic loan could be floated among the Chinese. In view of the existing deplorable Chinese financial condition, the financial famine in North China and the lack of confidence on the part of the Chinese capitalists and financiers toward Chinese domestic or internal loans, it is rather doubtful whether the loan can be successfully floated at the moment.

## MANCHURIA OPEN TO WORLD TRADE

### Japanese Do Not Aim at Monopoly and British and Americans Thrive.

Does Manchuria welcome American enterprises? This interesting commercial question, which has been brought up time and again by American business men interested in the Oriental trade, was answered today by Sadao Ishibashi, managing editor of the Manchuria Press, in an exclusive interview with the Far Eastern editor of THE NEW YORK HERALD.

Mr. Ishibashi, who is here studying American newspaper methods, declared that since his arrival in the United States everywhere along his route from San Francisco to New York city he has been questioned repeatedly about Japan's policy and position in the Oriental trade, and some people approached him rather politely, asking "What is the attitude of Japan toward American industry—do they like our coming?" Others, he said, bluntly asked, "Why does not Japan keep the doors of Manchuria open?"

"I am at these questions and at the general impression that prevails in America that Japan is enjoying the monopoly of economic opportunities in Manchuria behind closed doors," Mr. Ishibashi stated. "I can realize just how such a fantasy could have been thrust upon the credence of a people unacquainted with the real conditions existing there. Perhaps the Japanese Government itself is partly responsible for the misunderstanding. I have in mind the diplomatic blunder the Japanese Government committed when it claimed the exclusion of Manchuria and Mongolia from the operations of the allied consortium proposed for the railway loans. I will discuss the matter fully on another occasion, but certainly it was a foolish blunder, which obtained nothing but the suspicion of ill-will on the part of the host of the Japanese motives and programme in Manchuria.

**Small Group Responsible.**

"Moreover, there are some Japanese who, selfish and undisciplined and quite inconsistent with the general attitude of their nation, actually cry against the 'white peril' in Manchuria, while they want to keep for themselves alone the sphere of influence, and who look upon each new entry of outsiders as an invasion. And these are local petty yellow journals which help to incite and spread the animosity against Occidentals. I should not wonder if there have been a few American business men or even American soldiers who might have felt the sting of this anti-Asian sentiment.

"But the point I want to emphasize is this: These offenders form only a part of the Japanese population in Manchuria and represent by no means the attitude and opinion of the enlightened, broad-minded and cosmopolitan Japanese who run big businesses and who guide the large policies of the Government.

"The situation is analogous somewhat to that in California. The anti-Japanese agitation there is, because of the small number of Japanese, as far as the United States is concerned. But the whole Japanese nation is immensely excited over it, because the Japanese on the other side of the ocean find it difficult to realize that the antagonism of their brethren is confined only to one of the forty-eight States of the Union and to a certain class of people in that State, and that some Californians are gallantly fighting the anti-Japanese propaganda, pointing out the rapid progress of Americanization among the Japanese settlers and their great contribution to the agricultural prosperity of the Golden State. So in America you must not expect the Japanese faults in Manchuria to be of all proportions and attach to them a great significance that they have not.

"Facts are the final proof. The Standard Oil Company of America, as soon as the South Manchuria Railway came under the control of Japan and Dairen was opened as a free port, the company established its headquarters there and is now carrying on a vast business not only in Manchuria but in Mongolia and Siberia as well. Again, the British-American Tobacco Company is thriving so well there that the Japanese concern—the Oriental Tobacco Company—is barely able to hold its own.

**Americans in Manchuria.**

There are a number of American mercantile houses—the Singer Sewing Machine Company, for instance—that have been established in Manchuria during the last ten or fifteen years, especially after the close of the great war. I see in a recent issue of a Japanese paper, published in Dairen a news item about Americans taking away from Japanese the export trade of a certain medicinal herb from Mongolia to Osaka, Japan. The paper reports that the export, amounting to 1,500,000 pounds a year, has been always in Japanese hands, but now some Americans from Toronto are outbidding the Japanese in the Mongolian market to capture the trade. This is another evidence that the American can be entering Manchuria freely and competing with the Japanese successfully, whether the latter like it or not.

"In some quarters American cooperation is invited and much desired. For instance, the South Manchuria Railway Company, which has done so much to develop the industry and commerce in Manchuria, positively welcomes the foreign investor, as the Japanese capital alone does not suffice to exploit fully the natural resources and bring prosperity to that land. I think it was a year ago an English publication, official organ of the British Association of Commerce in Shanghai, accused the South Manchuria Railway Company of discriminating against foreign shippers in favor of Japanese. The attack was directed against the company's 'special rates for exports and imports,' which, as a matter of fact, the freight rate favors for the port of Dairen is a longer distance from the hinterland than Yinkou. But remember, the company received protests from Japanese in the latter port, too, as it won the support of those in the former. And in both places were Americans and British subjects who shared the loss or gain with the Japanese. It was a matter of competition between two local seaports, but the rancor of the unfortunate was served to poison the mind of the innocent public abroad against the Japanese.

"After all, truth will dispense much of the suspicion and doubt that like toxic smoke darken the Manchurian horizon. As a journalist I am happy to help through the columns of THE NEW YORK HERALD to clarify the situation. Manchuria's door is open. Americans are welcome."

**MORE CAPITAL FOR MINES.**

A proposal to increase the capital of the Peking Coal and Iron Mines Company by \$100,000, subscribed by both Chinese and Japanese shareholders, with a view to further developing the project, is reported by United States Consul-General Pontius at Mukden.

**NEW RAILWAYS FOR JAPAN.**

Tokyo, Oct. 1.—A charter has been granted the Gojome Railway Company, Aikita, for the laying of a tramway between Gojome and Iwakuni. Permission has been granted to the Aikita Electric Railway Company to construct a section 15.72 miles in length between Chiyu and Yabuki, Aikita prefecture.

## SOUTH AFRICAN SUGAR CROP BELOW NORMAL

### Coal Situation Also Reported as Bad.

According to the National Bank of South Africa, Ltd., the coming sugar crop of the Union will be considerably below normal, and is estimated at less than 12,000 tons. The coffee market has declined and merchants face a heavy loss on present stocks. The market for hides and skins is slightly improved. Wool and mohair markets are extremely quiet, while improvement is evident in regard to wattle bark.

The coal position is serious and ships are waiting for bunkers, but the lack of rolling stock is holding up shipments. The insistent demand for coal properties recently make it appear that the country's possibilities in this direction are at least being recognized.

## JAPAN ADMINISTERS SOUTH SEA ISLANDS

### Navy in Indirect Control of Territory Recently Acquired From Germany.

Tokyo, Oct. 23.—A Governor and a thorough system of administration are planned for the South Sea Islands, acquired by Japan from Germany during the world war, according to a high Government official.

The Governor of the Islands, it is stated, at present will remain under the direction of the navy, which has been in control of the islands since their acquisition five years ago. It was stated that it is more than likely that later all connection between the navy and the islands would be severed.

There are seven hundred islands of varying size in the group. The League of Nations Council in November is expected to work out a detailed scheme for application of the principle of trusteeship by which Japan retains her control.

The idea involved in enlarging the scope of civil administration of the islands is to establish three distinct administrative sections of domestic affairs, colonial affairs and police affairs. With a central gubernatorial established somewhere in the islands, several branches will be put on convenient islands and the executive, industrial and educational facilities will be arranged and perfected so as to advance the welfare of the islanders.

Government authorities are now investigating plans which are promised to be completed during the present year. The Governor and heads of administrative sections will be appointed. Establishment of courts, prisons, police stations, hospitals, schools, industrial experiment stations, weather observation and similar institutions is definitely promised in due time. As for means of communication, whether it will be turned over to the Department of Communications or not, has not yet been decided. When the plans are completed it is thought the number of officials will be trebled to 300 to 400.

**INDIA HAS A SLUMP.**

### Country Overstocked With Goods Bought in War Time.

The unusual prosperity that has prevailed in India since the outbreak of the war, coupled with the high exchange value of the Indian rupee, led to a tremendous increase in imports and resulted in overstocking of the market with goods of all kinds, which it is difficult to dispose of. While the silver has brought great loss to Indian merchants, and reports of cancellations of contracts are frequent.

Exportation of coal from British India, except under license, has been prohibited. The prohibition on the export of aluminum ores and wool has been removed.

**CULTIVATION OF LOOFAH GROWS.**

Recently the attention of a number of Indian planters has been drawn to the possibilities of loofah cultivation, three or four varieties of which grow wild in India. In Bengal the fruit of two varieties is used for food. The sponges of the Bengali plants are not so long as the Japanese variety and are darker in color, but have been found equally as valuable for commercial purposes. The result of the awakened interest has been the planting of several hundreds of acres with loofah. The profitable nature of this plant is indicated by the fact that an average crop for a piece of ground fourteen yards square is 20,000 sponges.

**HEAVY PARCELS FOR PHILIPPINES.**

The United States Post Office Department has advised that parcels not exceeding forty-four pounds in weight will hereafter be accepted for mailing to Manila, Cebu and Zamboanga in the Philippines. The limit of weight for parcels mailed to other places in the islands, except Manila, is twenty pounds. Parcels up to fifty pounds will be accepted for mailing to Manila.

## ZANZIBAR HARBOR BEING IMPROVED

### Biggest Ships Can Enter Great Port on East Coast of Africa.

Work has commenced on the extensive improvement to Zanzibar Harbor, which is considered the finest natural harbor on the east coast of Africa, both on account of the approaches and depth of water. Ships of any size can enter the harbor either day or night.

Up to the present the landing of passengers and cargo at Zanzibar has been carried on by means of lighters from the ships in the harbor to the shore. Much damage from water has been caused to cargo during transportation and the improvements, which will allow the ships to be berthed alongside of the new piers, will be appreciated by owners, importers and exporters, as well as the travelling public. The original expenditure was estimated at \$250,000 (\$1,216,625), but it is thought that on account of the enormous increase in the price of all materials the cost will be greater.

The proposed works include reclamation from the sea of some twenty acres on the Malindi Spit, close by the town of Zanzibar. There will be a reinforced concrete wharf, 1,300 feet in length, with a minimum depth of thirty feet alongside at low tide. The reclaimed area will be built of rubble, and by means of a suction dredge sand will be pumped over them. It is intended to have all the latest modern appliances such as electric cranes and railroad facilities on the new wharves. Provision will be made for the storage of bunker coal and fuel oil.

Another improvement in Zanzibar which is talked of but which has yet not taken definite form is a narrow gauge electric railway to run the whole length of the island, with branch lines at important centers.

## CEYLON MOTOR SHOW SET FOR JANUARY

### British Company Active in Enterprise.

The time for holding the Ceylon Motor Show has been set for January 22 to 29, 1921. Manufacturers desiring to exhibit should see that their shipments go forward in sufficient time to arrive in Colombo not later than January 1. Interested exhibitors are required to have duly accredited agents in Ceylon.

The charge for space will be one rupee (about 36 cents United States currency) at present exchange) per square foot; this covers rental and lighting only. It is essential, in case motor cars are sent for exhibition, that they be right hand drive. Five or seven passenger touring models would be preferable, and cars should be taken that chassis and body are in good condition and of good appearance.

The British motor car, accessory and tire industries are energetically engaged in making the motor show a success from the British industries standpoint. Practically every British make of automobile and truck will be shown.

**TO DEVELOP SHANGHAI PORT.**

SHANGHAI, Oct. 1.—Plans for the modernizing of the port of Shanghai are being worked out for the consideration of the International Commission in charge of the harbor and river work at Shanghai. The Commission has voted 150,000 taels for an examination of the technical possibilities of developing a world's port at Shanghai. Final decision is looked for in the autumn of 1921, when a technical commission composed of one representative of China and one each from the five great Powers interested in Chinese shipping will meet in Shanghai.

**AUSTRALIA EXPORTING FRUIT.**

SYDNEY, Oct. 1.—The development of the dried fruit industry is progressing rapidly and considerable quantities are being exported. The industry has been chiefly centered in South Australia and Victoria, but of late Western Australia has been making considerable progress in the drying of vine fruits, and further important developments are expected.

**YOUNG CHINESE TURN TO MINING.**

SHANGHAI, Oct. 1.—A group of young Chinese are organizing for the development of a coal mine in Kiangsi. They are expected to contemplate the purchase of American mining machinery through a Shanghai firm.

## EXPERT EXPLAINS EAST INDIAN TRADE

### Commissioner Fowler Gives Intimate Details on Dealings With the Dutch.

WASHINGTON, Oct. 24.—As a result of numerous inquiries received from American firms interested in trading relations with the Dutch East Indies, the Bureau of Foreign and Domestic Commerce has made a thorough investigation of the situation in the islands through United States Trade Commissioner John A. Fowler. A report received from Batavia and written by Mr. Fowler says:

"There are a few firms and companies in the Netherlands East Indies doing an exclusively export business. A large part of the export is handled by companies also engaged in an import business. The export of pepper is limited to a very few concerns, although the official list of exporters includes fifty-six names. All but a few of these are occasional shippers, having picked up small lots for shipment and thereby getting into the government lists. They have contributed very little to the efficiency of collection and distribution except by providing something of a balance against the weight of the few big concerns whose interests lie, broadly, in the one direction of importation. The principal exporters maintain branches at Teluk Betong, the center of the pepper producing district of Langoeng, in Sumatra, and handle the crop in the island of Banko through agents controlled from Batavia. The crop of Atjeh (the northern residency of Sumatra) is handled through agents controlled through Penang and Singapore. These agents have friendly and long established relations with the native chiefs, through whom they make advances to buyers and often, through them, to the growers themselves.

**Control of Hides.**

"Such exporters make a beneficial contribution to trade in that at least they partly finance crops and control the collection of products. Their knowledge of the personnel of the trade gives them a hold on it difficult to break.

"The principal exporters of hides have contributed something toward the betterment of grades in popularizing more efficient methods in killing, trimming and drying, but they do not influence the trade to the extent that the pepper exporters do. The collecting is done by the Chinese and Arab traders, and the exporter in the last link in the chain of collection.

"The copra trade is representative of that of many other products. The exporter receives an offer from his customer abroad and commissions a broker to buy for him under certain stated conditions. Some of the brokers have connections with buyers situated in various parts of Java, or in the other islands, and they buy through these agents or from local stocks for the account of the exporter. Purchases are made on the reputation of the sellers, who are known by name or otherwise, on guarantees from other houses or on an inventory of the goods. In the latter case there must be an inspection, which is carefully made. Often, however, large shipments of copra are made without any representative of the exporter seeing the cargo. In such cases the exporter is merely a middle man between the correspondent abroad, who accepts his guarantees of quality, if such are made, and the local broker, who is the real controller of the means of collection.

**Chinese Have Strong Hold.**

"The combination importer and exporter has a different relation to the export trade from those concerns doing an exclusively export business. The Chinese houses import merchandise, which they sell, generally on credit, to the Chinese trader or shopkeeper. Each one of these Chinese is also a money lender or extends credit to the natives, who are always willing to go into debt. When the Chinese is ready to sell he generally offers his produce to the company from which he buys, and for the reason that he has generally stretched his credit with the importer to the furthest limit he often will accept a lower offer for his goods than he would from a firm from which he bought nothing.

"Another type of exporter is the big company exporting the product of its own plantations and buying on the open market when ordered to do so by the main office in the Netherlands. Such companies consign their product and purchases to their own offices in the Netherlands or to their bankers who finance their current needs.

"The Netherlands Trading Society is the only company acting as the exporter of the Government's plantations. It has its own forty or fifty plantations and industries, the products of which it consigns to the head office in Amsterdam."

## AMERICA LEADS IN ORIENTAL SHIPPING

### Heads List in Kobe for Arrivals and Departures.

Kobe, Sept. 15.—With twenty-eight steamers, aggregating 175,494 tons, entered, and thirty-four steamers, of approximately 267,771 tons, departed during the month of August, the United States headed the list of all foreign nations both in the arrival and departure of steamers in the port of Kobe. She is closely followed by Great Britain, which had long headed the list.

There is little prospect for an early improvement of the general shipping

condition, and Kobe, reputed to be Japan's shipping center, is gradually being crowded with steamers which are tied up simply because of the lack of available freight. Statistics just compiled by the local harbor office show that 1,106 steamers, aggregating 1,493,719 tons, entered the port of Kobe during August, which is less than by 101 steamers and approximately 240,510 tons than the figures of July, and 1,211 steamers, with a combined tonnage of 1,644,330 tons, cleared the port during August. Among those steamers arriving in August, fifty-six steamers, with a combined tonnage of 379,013 tons, were foreign, and among the steamers departing during the same month, sixty-four steamers, with a combined tonnage of 413,907 tons, were foreign. All other steamers, both arriving and departing during the month of August, were Japanese vessels.

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## The Savage Express of Formosa

To reach the interior of Formosa the Japanese Government has established many lines of these "push trains," which are propelled by Chinese coolies. The journey into the mountains is slow and laborious. Coasting out of them is swift and thrilling. These lines are mostly used as feeders to the narrow standard gauge steam railways, but furnish a wonderful experience to tourists. This picture shows the terminus of the Kaffanran branch near a stronghold of head hunters.